

Mayor's Newsletter

May 2018

Mahone Bay, Nova Scotia

Special Edition - 2018/19 Budget Recap

A message from Mayor Devenne:

Town Council met on April 27, 2018 to review the 2018/19 budgets for the Town of Mahone Bay. Council and staff were diligent in assessing the needs of the Town in order to create a relevant and realistic budget. After extensive discussion, Council unanimously approved a budget that admittedly has some cost increases for citizens, but all are necessary for the Town's future fiscal health.



David W. Devenne
Mayor

2018/19 Changes in Fees

Costs that contribute to capital projects
Infrastructure charges have increased from \$240 to \$265 per year.

The infrastructure charge is a uniform tax for all residents of Mahone Bay. Each dwelling unit/commercial space/lot is billed the infrastructure charge as part of the regular property taxes.

The deed transfer tax has increased from 1% to 1.25%.

The deed transfer tax is charged on dwelling units at the time of sale.

The changes to the infrastructure charge and the deed transfer tax have been made to build funds for future capital projects that include such things as roadways, sidewalks, underground infrastructure, building projects, equipment and projects that maintain or improve Town assets. Neither the infrastructure rate nor the deed transfer tax have changed in many years.

Through the budget process this year the Town has identified a need to build our capital reserve to improve the Town's financial stability as project costs increase.

Tax Rates

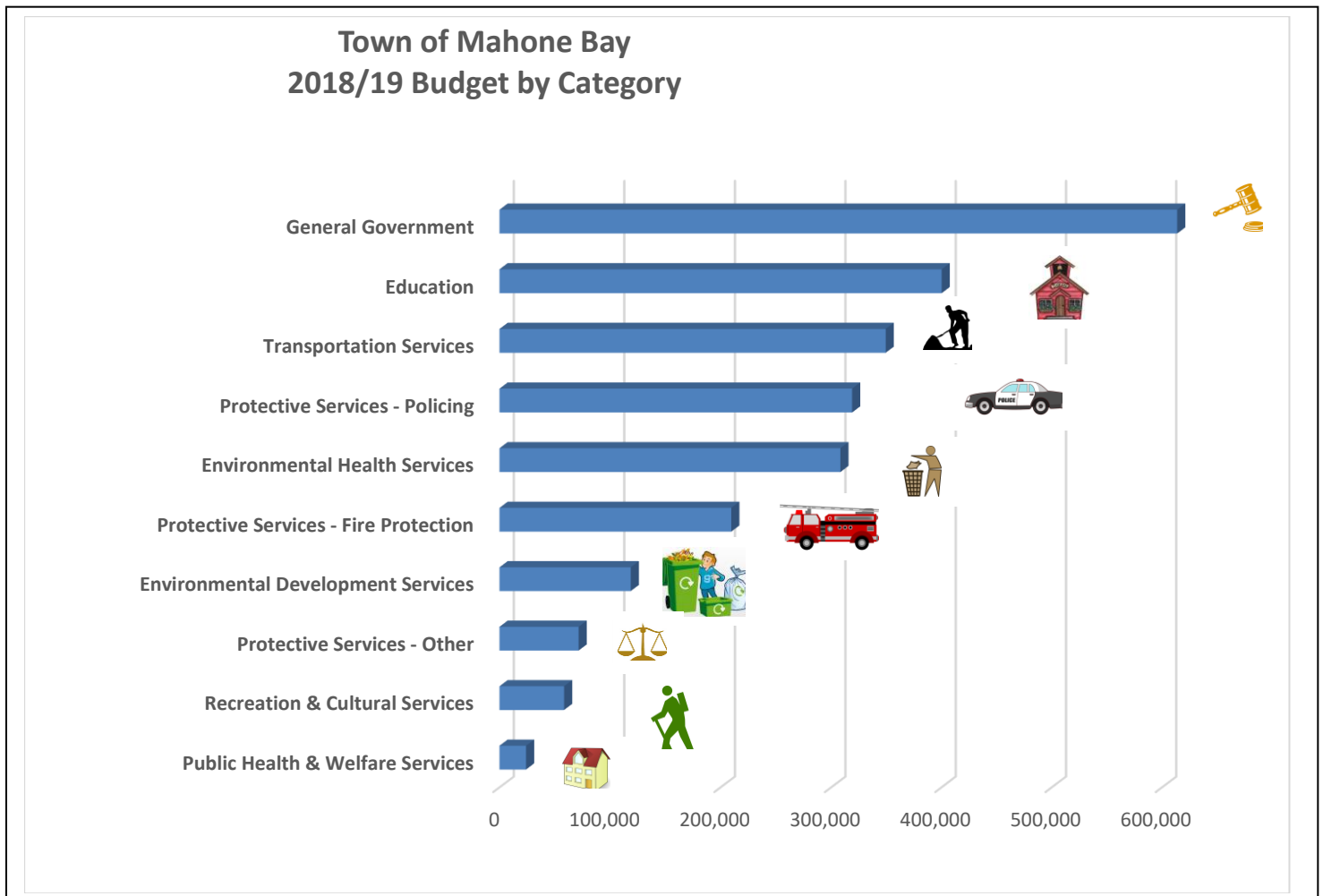
The residential tax rate has increased from \$1.19 per \$100 to \$1.22 per \$100; the commercial tax rate has increased from \$2.98 per \$100 to \$3.08 per \$100.

Included in the residential and commercial tax rate (not an additional fee) is the fire tax rate, which has increased from \$0.10 to \$0.11 per \$100. The fire tax rate has also not changed in many years despite increases in the costs that our fire department faces such as increased cost of gas, costs for equipment, training, etc. As with the capital projects, operating costs continue to rise, and the Town has used reserve funds to offset increases, but we realize that we must also build funds for operating costs as part of our efforts to contribute to the Town's financial stability.

The Town has been reluctant to increase tax rates in the past, but we must now make changes to meet increasing capital and operating costs as well as build our reserves for the future. Our tax rates are still the lowest, and with the lowest differential between the residential and commercial taxes, of any town in the county.

Where do tax dollars go?

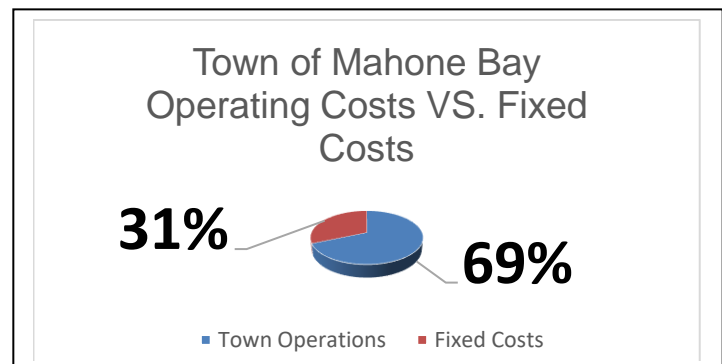
Please see the information below for an explanation of where tax dollars are spent.



In the 2018/19 Town of Mahone Bay budget, 31% of every tax dollar goes to fixed costs, or costs outside the control of the Town. Those fixed costs include education, policing, assessment services, correctional services and the public housing debt.

Taxes on a \$175,000 home in Mahone Bay

Expenditure	Taxes
Property Valuation Corp	\$24.82
Policing	\$330.89
Transfer to Corrections	\$20.61
Education	\$415.09
Housing	\$14.52
Transfer to Reserves	\$17.63
All Other Costs	<u>\$1,328.93</u>
	\$2,152.50



If you have any questions about the budgets, please call Town Hall at 902-624-8327 or email clerk@townofmahonebay.ca.